

APPENDIX B

**AMENDED BYLAWS
OF
CORN PLUS**

AMENDED BY-LAWS

OF

CORN PLUS

Effective April 17, 2015

ARTICLE I

Meetings of the Members

Section 1. Annual Meeting. An annual meeting of the members of this association shall be held annually, not later than six (6) months after the end of the fiscal year, at the principal place of business of this association, or such other place conveniently located within the area served by it, and at such date and hour as may be determined by the Board of Directors and designated in the notice of the meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by a majority vote of the directors, or upon the written petition of at least twenty percent (20%) of the members, as provided by law.

Section 3. Notice of Meetings. Notice of meetings, both annual meetings and special meetings, shall be mailed to each and every member personally (or, in the case of an association, to the Secretary thereof) at the member's last known post office address, not less than fifteen (15) days previous to the date of the meeting. In lieu of such notice by mail, notice of the meeting may be given by publication in a legal newspaper published in the county of the principal place of business of the association, or by publication in a magazine, periodical, or other publication of the association that is regularly published by or on behalf of the association and circulated generally among the members, at least two weeks previous to the date of the meeting.

After mailing or publishing any notice of any meeting of the members, the Secretary shall execute a certificate containing a correct copy of the mailed or published notice, the date of mailing or publishing the notice, and a statement that the notice was mailed or published within the time and in the manner prescribed by law. Said certificate shall be made a part of the record of the meeting.

Section 4. Voting by Mail. Any member who is absent from any meeting of the members may vote by mail on the ballot herein prescribed on any motion, resolution or amendment that the Board of Directors specifically submits to the members for a vote by mail, except that the election of directors may not be submitted to the members for a vote by mail. Said ballot shall be in the form prescribed by the Board of Directors, shall contain the exact text of the proposed motion, resolution or amendment to be acted on at the meeting, shall include the date of the meeting, and shall contain spaces opposite the text of the motion, resolution or amendment in which the member may indicate and affirmative or negative vote. The member

shall express such member's choice by marking an "X" in the appropriate space on the ballot. A properly executed ballot which is received by this association before the meeting begins shall be accepted by the Board of Directors and counted as the vote of the absent member at the meeting.

Section 5. Quorum. A quorum necessary to the transaction of business at any meeting of the members shall be at least ten percent (10%) of the total number of members in this association when the number of members in this association does not exceed five hundred (500), but when the association has a larger number of members, fifty (50) members present shall constitute a quorum; provided, however, that in determining a quorum on a question submitted to a vote by mail, members present in person or represented by mail votes shall be counted. The attendance of a sufficient number to constitute a quorum shall be established by a registration of the members of the association present at such meeting. The registration shall be verified by the President and the Secretary of the association and shall be reported in the minutes of the meeting.

Section 6. Order of Business. Insofar as practical, the order of business at annual meetings and, where applicable, at all other meetings of the members shall be as follows:

1. Proof of notice of meeting.
2. Reading and disposal of all unapproved minutes.
3. Annual reports of officers and committees.
4. Election of directors.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE II **Board of Directors**

Section 1. Number and Qualification. The number of directors of this association shall be nine (9) commencing with the Annual Meeting during calendar year 1997. In addition, the members may elect up to two (2) alternates to serve on behalf of qualifying directors who are elected or appointed representatives of a member who is other than a natural person and who, together with such member's affiliates, owns or has subscribed to purchase 20% or more of the outstanding common stock of this association. Any such elected alternate shall be entitled to act and serve as a director in the place and stead of the qualifying director at any meeting or written action of the Board of Directors if the qualifying director is not available for or during any part of a meeting or to take such action in writing, provided in no instance shall an alternate and the qualifying director have more than one vote at any meeting where both are present, and the alternates shall not act in any case to increase the number of directors of this association to more than nine (9) directors. Directors shall be elected for three (3) year terms and in such manner so that three (3) positions expire each year. Alternates shall be elected for three (3) year terms. No director or alternate who has served three consecutive full terms of three years from and after the annual meeting in 1997 shall be eligible for re-election or appointment as a director or an alternate until the annual meeting of the members next following the annual meeting at which the third of his consecutive three year terms expired. Each director or alternate shall be a member or an elected or appointed representative of a member who is other than a natural person. Directors

and alternates shall be elected by a majority of votes cast at the annual meeting, provided that where there are more nominees for election to the board of directors than open board seats, directors shall be elected by a plurality of votes cast at the annual meeting, meaning that the nominee(s) receiving the greatest number of votes cast relative to the other nominees are elected directors, and provided further that where there are board seats with differing terms to achieve the staggered terms provided for by these Bylaws up for election at an annual meeting, nominee(s) receiving the highest number of votes cast relative to the other elected nominees shall be elected to the longest terms up for election.

Section 2. Nominating Committee. The Board of Directors shall appoint a nominating committee from the members of this association for the purpose of nominating directors.

Section 3. Vacancies and Removal. Each vacancy occurring on the Board of Directors, other than by the removal of a director by the members or by the expiration of a term, may be filled until the next annual meeting or special meeting of the members by a vote of the remaining directors. Members may remove a director at a members' meeting for cause related to the duties of the position of director, including service by a director for nine (9) consecutive years, and fill the vacancy caused by the removal.

Section 4. Meetings of the Board of Directors. The Board of Directors shall meet regularly at such times and places as the Board may determine. Special meetings may be called by the President, the Manager, or any three (3) directors. All meetings shall be held on such notice, if any, as the Board may prescribe; but any business may be transacted at any meeting without mention of such business in the notice, if any, of the meeting.

Section 5. Quorum. A quorum shall consist of a majority of the directors. A majority vote of the directors present shall decide all questions, except where a greater vote is expressly required by law or these By-Laws.

Section 6. Compensation. The compensation, if any, of the directors and officers may be fixed at any annual meeting or special meeting of the members of this association; but upon any failure of the members to do so, the Board of Directors may do so.

Section 7. Bonds. The Board of Directors shall require each officer, agent and employee having control or custody of any of this association's funds or property to furnish a surety bond satisfactory to said Board, and the cost thereof shall be paid by this association.

Section 8. Audit. The Board of Directors shall have the books of this association audited by a certified public accountant at least once each fiscal year; and the report of such audit shall be made at the next annual meeting of the members.

Section 9. Borrowing. The Board of Directors shall have power, which may be exercised only by a vote of a majority of all of the directors, to authorize and approve the borrowing of money and pledging and mortgaging of any or all of the assets of this association as security for the sums so borrowed.

Section 10. Corporate Seal. The Board of Directors may adopt, alter or abandon the use of a corporate seal.

Section 11. Executive Committee. The Board of Directors may appoint an Executive Committee of not less than three (3) directors, one of whom shall be the President. The Executive Committee shall not have any authority to:

- (a) fill any vacancy either in any elective office or in its own membership or in the Board of Directors;
- (b) employ or discharge any Manager for this association;
- (c) call any meeting of the members;
- (d) meet or otherwise act at any time when either the Board of Directors or the members are holding a meeting; or
- (e) do anything which is required by law to be done only by the Board of Directors and which said Board cannot lawfully delegate to such a committee.

The Executive Committee shall have such other powers and duties as the Board of Directors may delegate to or require of it.

ARTICLE III **Officers**

Section 1. Election of Officers. Promptly following each annual meeting of the members of this association, the Board of Directors shall elect from among the directors a President and a Vice President and shall, at the same time, elect a Secretary and a Treasurer who may be but need not be directors. The offices of Secretary and Treasurer may be held by the same person and, when so held, may be termed Secretary-Treasurer. The Board of Directors may appoint such additional officers with such titles, powers and duties, and for such terms, as said Board may determine.

Section 2. Duties of the President. The President shall:

- (a) preside over all meetings of the members, the Board of Directors and the Executive Committee; and
- (b) have all authority ordinarily held by the President of a corporation, but without being obligated either to devote full time to the business of this association or to actively supervise all of its ordinary business.

Section 3. Duties of the Vice President. The Vice President, in the absence or disability of the President shall perform the duties of the President.

Section 4. Duties of the Secretary. The Secretary shall:

- (a) take or supervise the taking of complete minutes of all meetings of the members, the Board of Directors and the Executive Committee;
- (b) have custody of this association's minute book and of its corporate seal, if any;
- (c) submit to the Annual Meeting of the members a report covering the business of this association for the previous fiscal year and showing the condition of this association at the close of said fiscal year;
- (d) give, or cause to be given, all notices as required by law or these By-Laws; and
- (e) perform such additional duties as may be required by the Board of Directors.

Section 5. Duties of the Treasurer. The Treasurer shall:

- (a) supervise the safekeeping of all funds and property of this association;
- (b) supervise the keeping of complete books and records of all of the financial transactions of this association; and
- (c) perform such additional duties as may be required by the Board of Directors.

Section 6. Duties of the Manager. The Board of Directors shall employ a Manager and shall fix the Manager's compensation and all other terms of the Manager's employment. The Manager shall actively supervise all of the ordinary business of this association, shall employ and discharge all other employees of this association and shall perform such additional duties and shall have such additional powers as the Board of Directors any require or may delegate to the Manager.

Section 7. Removal of Officers. Any officer may be removed by the Board of Directors at any time, with or without cause.

ARTICLE IV
Capital Stock and Stock Certificates

Section 1. Issuance of Stock Certificates. A certificate of capital stock shall be issued to each holder of one or more fully paid shares of capital stock. Each such certificate shall state whether the shares evidenced thereby are common, the par value of said shares, the number of shares evidenced thereby and the name of the person or organization to whom said certificate is issued. Each such certificate shall bear the signatures of the President or Vice President and the Secretary or Assistant Secretary, and shall be numbered and issued in numerical order from the association's stock certificate books.

Section 2. Transfers of Common Stock. No assignment or transfer of common stock, or any amount credited to the capital account of a patron, including any such amount evidenced by a certificate or letter, shall be binding on this cooperative without the consent of the Board of Directors not until it shall have been entered in the books of this cooperative.

Prior to any transfer of common stock, the member or stockholder wishing to transfer must notify the Board of Directors of said member's or stockholder's intent to transfer. Directors of said member's or stockholder's intent to transfer. If the proposed transferee is not eligible to be a member and not:

- (a) the spouse, parent, child or spouse of child, brother or sister, or spouse of brother or sister of the member or stockholder who wishes to transfer; or
- (b) a family farm corporation in which the member or stockholder who wishes to transfer is a shareholder; or
- (c) a partnership in which the member or stockholder who wishes to transfer is a partner,

the transfer shall be made in a manner to be determined by the Board of Directors. If more than one member or other proposed transferee(s) desires to purchase the stock, the Board of Directors shall determine the method by which the new transferee(s) will be chosen.

Section 3. Transfer Restrictions. No assignment or transfer of common stock may be made unless such assignment or transfer is made in conjunction with an assignment or transfer of Units held in Corn Plus Limited Partnership to the same assignee or transferee, on a one share of common stock per one Unit basis. The Board of Directors, in its sole discretion, may waive this requirement as to specific assignments and transfers or as to all assignments and transfers.

Section 4. Entitlements Based on Patronage. When all or a portion of a member's common stock is validly transferred, the transferee also shall succeed to any entitlement of the transferor that is based on patronage of the transferor (or any predecessor owner of the transferred interest) including undistributed patronage dividends with respect to patronage transactions occurring prior to the effective date of the transfer, written notices of allocation, and any residual claim to distributions out of capital reserves or in liquidation, dissolution and winding-up of this association under these By-Laws, in proportion to and to the extent such entitlements relate to delivery obligations associated with the transferred common stock. Upon the effective date of this transfer, any such entitlements shall vest automatically in the transferee by operation of these By-laws, without reversion or impairment of the entitlement as a result of such transfer, without any requirement of action or execution of documents by any of the parties thereto. As part of the transfer entitlements, the transferor must report as taxable income any patronage dividends distributed with respect to patronage transactions during the fiscal year of this association immediately preceding the fiscal year in which the effective date of the transfer occurs, and the transferee must report as taxable income any patronage dividends distributed with respect to patronage transactions occurring during the fiscal year of this association in which the effective date of the transfer occurs, and such amounts will be reflected in information returns filed by the association with state and federal taxing authorities.

ARTICLE V
Patronage Distribution

Section 1. Cooperative Operation. This association shall be operated on a cooperative basis in carrying out its business within the scope of the purpose, powers and limitations provided in the Articles of Incorporation. Accordingly, the net income of the association in excess of amounts credited to capital reserves and amounts of dividends, if any, paid with respect to capital stock shall be distributed annually as provided in this Article V. In determining the net income or net loss of this cooperative or its allocation units, there shall be taken into account the cooperative's share of the net income or net loss of any unincorporated entity in which it owns an equity interest, patronage dividends distributed by other cooperatives of which it is a patron and, to the extent determined by the Board of Directors, its share of the undistributed net income or net loss of any corporation in which it owns an equity interest. Net income is subject to adjustment as provided in Section 5(a)(iv) and Section 8 of this Article V relating to prior losses and shall not include amounts included in taxable income pursuant to 26 U.S.C. § 87 relating to ethanol tax credits.

Each transaction between this association and a member shall be subject to and shall include as part of its terms each provision of the Articles of Incorporation and By-Laws of this association, whether or not the same be expressly referred to in said transaction. Each member for whom this association procures or markets goods or services shall be entitled to the net income arising out of said transaction as provided in this Article V unless such member and the association have expressly agreed to conduct said business on a nonpatronage basis. No nonmember with whom this association does business shall be entitled to the net income arising out of said transactions.

Section 2. Patrons; Patronage Business; Nonpatronage Business. As used in this Article V, the following definitions shall apply:

- (a) "Patron" shall mean any member with respect to business conducted with the association on a patronage basis in accordance with Section 1 of the Article V.
- (b) "Patronage business" shall mean business done by the association with or for patrons.
- (c) "Nonpatronage business" shall mean business done by the association that does not constitute patronage business.

Section 3. Determination of the Patronage Income or Loss. The net income or net loss of the association from patronage business for each fiscal year shall be the sum of (1) the gross revenues directly attributable to goods or services procured or marketed for patrons, plus (2) other items of income or gain attributable to the association's patronage business, less (3) all expenses and costs of goods or services, including depreciation and amortization, directly attributable to goods procured or marketed for patrons, less (4) all other expenses or losses attributable to the association's patronage business.

Section 4. Allocation of Patronage Income. The net income of this association from patronage business for each fiscal year, reduced by the sum of (1) amounts allocated to a

capital reserve as provided in Sections 7(b) and (c) of this Article V, (2) dividends paid on capital stock, (3) amounts otherwise allocated in dissolution pursuant to Article VII, and (4) losses carried forward to such fiscal year as provided in Section 5(a)(iv) and Section 8 of this Article V, and increased by any amount of a write-down of an interest in another cooperative as the Board chooses to address in Section 5 of this Article V, shall be allocated among the patrons in the ratio that the quantity or value of the business done with each such patron bears to the quantity or value of the business done with each such patron bears to the quantity or value of the business done with all patrons. The Board of Directors shall reasonably and equitably determine whether allocations shall be made on the basis of quantity, value or some combination thereof.

Section 5. Treatment of Patronage Losses and Write-downs.

- (a) **Methods for Handling Patronage Losses.** If the association incurs a net loss in any fiscal year from patronage business, to the extent of the amount of such net loss, the Board of Directors, having due consideration for all of the circumstances which caused the net loss, may take one or more of the following actions:
- (i) Offset all or part of such net loss against the capital reserve or the net income of such fiscal year from nonpatronage business;
 - (ii) Cancel outstanding written notices of allocation;
 - (iii) Establish accounts payable by patrons that may be satisfied out of any future amounts that may become payable by the association to each such patron under Articles V and VII hereof; or
 - (iv) Carry all or part of the loss forward to be charged against future net income of the association.

If net income for a fiscal year otherwise allocable under Section 4 of this Article V is reduced as a result of a write-down of any interest this association holds in another cooperative, the Board shall have the discretion to treat all or part of the write-down as if it were a net loss and take one or more of the actions provided in clauses (i) and (ii) of this Section 5(a) rather than reducing net income allocable under Section 4. Any cancellation of written notices of allocation and/or establishment of accounts payable shall be made among the patrons in a manner consistent with the allocation of net income.

- (b) **No Assessments.** There shall be no right of assessment against members for the purpose of restoring impairments to capital caused by net losses.

Section 6. Distribution of Net Income from Patronage Business.

- (a) The net income allocated to each patron shall be distributed annually or more often to such patron as a patronage refund; provided, however, that no distribution need be made where the amount otherwise to be distributed to a patron is less than \$50.00. Because of differences in calculation, the amount of net income allocated to a patron for regular income tax purposes may differ from the amount of net income allocated to a patron for federal alternative minimum tax purposes.

- (b) **Form of Patronage Refunds.** Patronage refunds shall be distributed in cash, capital stock credits, allocated patronage equities, revolving fund certificates or any combination thereof designated by the Board of Directors. The extent that the association's net income as determined for federal alternative minimum tax purposes exceeds the association's net income as determined for federal regular tax purposes, the allocated patronage equity representing such excess may be designed as "AMT-only."
- (c) **Designation of Written Notices of Allocation for Income Tax Purposes.** The noncash portion of a patronage refund distribution, in whatever form issued, shall conform to the requirements of and shall constitute a written notice of allocation as defined in 26 U.S.C. § 1388. For federal regular income tax purposes, the Board of Directors shall designate written notices of allocation as nonqualified written notices of allocation as defined in said section. For federal alternative minimum tax purposes, the Board of Directors shall have the discretion to designate written notices of allocation as defined in said section or any combination thereof; provided, that the amount designated as "qualified" shall not exceed four times the portion of such patronage refund that is paid in cash.
- (d) **Consent.** Each individual or entity that hereafter applies for and is accepted to membership in this association and each member of this association as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation as defined in 26 U.S.C. §1388, and which are received by the member from the association, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by the member. Written notification of the adoption of this Bylaw, a statement of its significance and a copy of the provision shall be given separately to each member and prospective member before becoming a member of the association.
- (e) **Redemption, Cancellation and Transfer of Written Notices of Allocation.** Written notices of allocation may be paid in whole or in part at such time, in such manner, and in such order as shall be determined by the Board of Directors in its sole discretion. The Board of Directors shall not be required to but may establish policies for the payment of written notices of allocation upon the holder's death, retirement or reaching a specified age. The distribution of "AMT-only" patronage refunds shall not create an obligation upon the association to pay to the members at any time in cash any amounts that are greater than the amounts of cash that would be paid of the net income from patronage was not calculated in such manner. The Board of Directors may give effect to the preceding sentence by canceling any written notices of allocation that is designated "AMT-only" in any year in which the association's net income as determined for federal regular tax purposes exceeds the association's net income as determined for federal alternative minimum tax purposes, or upon dissolution. Written notices of

allocation may be transferred only as part of the common stock with which the notice is associated as provided in Article IV.

Section 7. Capital Reserve; Dividends on Capital Stock. The Board of Directors shall cause to be created a capital reserve and, except as otherwise provided in Section 8 of this Article V, shall annually add to such capital reserve the sum of the following amounts.

- (a) The net income of the association from nonpatronage business less any offset made pursuant to Sections 5(a)(i) or (iv).
- (b) Annual net income from patrons who are unidentified or to whom the amount otherwise to be distributed is less than \$50.00.
- (c) An amount not to exceed 10% of the net income from patronage business.

The discretion in Section 7(c) to credit patronage income to a capital reserve shall be reduced or eliminated with respect to the net income from patronage business of any period following the adoption of a Board of Directors resolution that irrevocably provides for such reduction or elimination with respect to such period.

The Board of Directors may declare and pay dividends on capital stock in amounts not to exceed the amounts permitted by Minnesota law.

Section 8. Nonpatronage Loss. If the association incurs a net loss on its nonpatronage business, the loss generally shall be charged against capital reserve unless and to the extent the Board of Directors, having due consideration for the circumstances giving rise to the loss, determines that it is reasonable and equitable to allocate all or part of the loss against the association's current net income from patronage business or in accordance with the methods provided in Section 5.

Section 9. Allocation Units. Allocation units may be established by the Board of Directors on a reasonable and equitable basis and they may be functional, divisional, departmental, geographical, or otherwise. The Board of Directors shall adopt such reasonable and equitable accounting procedures as will, in the Board's judgment, equitably allocate among such allocation units the association's income, gains, expenses, and losses and, to the extent provided in Section 1 of this Article V, patronage dividends received by the association and its share of income, gain, loss and deduction of other entities in which it owns an interest.

ARTICLE VI

Indemnification and Insurance

Section 1. Indemnification. This association shall indemnify each director, officer or manager of this association, and any person who is serving at the request of this association as a director, officer or manager of another corporation, partnership, joint venture, trust or other enterprise, against expenses actually and reasonably incurred, including attorney's fees, judgments, fines and amounts paid in settlement, to the extent to which directors, officers or

managers of a cooperative association may be indemnified under the laws of the State of Minnesota.

Section 2. Insurance. This association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, manager, employee or agent of this association, or who is or was serving at the request of this association as a director, officer, manager, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted and incurred in any capacity.

ARTICLE VII

Merger or Consolidation; Dissolution

Section 1. Merger or Consolidation. If the terms of a merger or consolidation of which the association is a party do not provide the members of this association with an economic interest in the surviving entity that is generally similar to the economic interest possessed by such members in this association immediately before such merger or consolidation, the consideration received shall be divided among them in the same manner as a comparable amount of net liquidation proceeds would distributed pursuant to Section 2 of this Article VII. This shall not be constructed to prevent issuance of differing forms of consideration to different groups of members to the extent allowed by law.

Section 2. Liquidation, Dissolution and Winding-Up. In the event of a liquidation, dissolution or winding up of the affairs of this association, whether voluntary or involuntary, amounts remaining after satisfaction of this association's indebtedness shall be distributed in the following order: first, to the holders of common stock to the extent of and in proportion to the par value of such stock as reflected in the Articles of Incorporation, as amended, without priority and on a pro rata basis if necessary; second, to the holders of written notices of allocation to the extent of and in proportion to the face amount thereof; third, if all or any part of any reserve shall have been apportioned between and credited to any persons or organizations on the books of this association, then to each current member in proportion to the amounts so credited to such member, and fourth, to each current member in proportion to the patronage of such member over such period as may be determined to be equitable and practicable by the Board of Directors. For purposes of priorities third and fourth, each current member shall be credited with the apportioned reserve and the patronage of former members that is associated with shares of common stock acquired by such current member from a former member or successor to the interest of a former member. Such obligation to distribute shall be constructed as a preexisting duty to distribute any patronage sourced net gain realized in the winding up process to the maximum extent allowable by law.

ARTICLE VIII

Unclaimed Property

In accordance with Minnesota Statutes 1986, Section 308.12, Subd. 5, this association may distribute any unclaimed property which has been reported as unclaimed property to the Commissioner of Commerce of the State of Minnesota, to a corporation or organization which is exempt from taxation under Minnesota Statutes Section 290.05, Subd. 1, paragraph (b), or 2.

The rights of an owner to unclaimed property shall be extinguished upon the disbursement of the property to a tax-exempt organization in accordance with Minnesota law.

ARTICLE IX

Fiscal Year

The fiscal year of this association shall commence on the first day of October in each year and shall end on the last day of September in the following year.

ARTICLE X

Amendments to the By-Laws

These By-Laws may be amended in the manner provided by the laws of the State of Minnesota.